## **AMENDMENTS TO THE CLAIMS**

This listing of claims will replace all prior versions and listings of claims in the application:

- 1. (Cancelled).
- 2. (Currently amended) A method for optimizing selection of advertisements for transmission to a customer, comprising:

creating at least one customer profile for a possible recipient of advertisement data, said customer profile reflecting the recipient's interests in predetermined characteristics of the advertisement data;

creating an ad-attribute profile for each of said advertisements, said ad-attribute profile comprising a measure of uncertainty regarding said recipient's interest in each of said advertisements, wherein said measure of uncertainty is inversely proportional to a number of times said advertisement has been served inversely affects said ad-attribute profile;

computing a value that said recipient will select each of said advertisements; and selecting the advertisement corresponding to a highest value.

3. (Previously presented) The method of claim 2, further comprising the step of serving the highest value advertisement to the recipient.

- 4. (Previously presented) The method of claim 2, wherein said ad-attribute profile further comprises a measure of a degree of content of said predetermined characteristics in said advertisements.
- 5. (Previously presented) The method of claim 2, wherein said at least one customer profile comprises one attribute for each of said predetermined characteristics.
  - 6. (Cancelled.)
- 7. (Currently amended) The method of claim-6\_2, wherein said ad-attribute profile comprises one attribute for each of said predetermined characteristics.
- 8. (Previously presented) The method of claim 7, wherein said computing step further comprises the following steps for each advertisement:
- (a) multiplying an attribute of said customer profile by a corresponding attribute of said ad-attribute profile to yield a product;
  - (b) accumulating the product; and
  - (c) repeating steps (a) and (b) for every attribute of said customer profile.
- 9. (Previously presented) The method of claim 8, wherein said computing step further comprises the step of computing a value based on a predicted sequence of Web sites being accessed.
- 10. (Previously presented) The method of claim 9, wherein a value for an advertisement is lowered if a particular Web site is predicted to be shown in the future.

11. (Previously presented) The method of claim 2, wherein said computing step further comprises:

adding a revenue amount associated with each of said advertisements to said value; and

subtracting a cost associated with each of said advertisements from said value.

- 12. (Previously presented) The method of claim 2, wherein the computed value equals a square root of the number of times said advertisement has been served.
- 13. (Previously presented) The method of claim 2, wherein said computing step further comprises computing a value, said value based on a predicted number of visitors to a predetermined number of Web sites.
- 14. (Previously presented) The method of claim 2, wherein said selecting step comprises:

selecting a predetermined number of advertisements corresponding to a highest value; and

storing an identifier for each advertisement in an ad queue.

- 15. (Previously presented) The method of claim 14, wherein an advertisement is served to a user from said ad queue.
- 16. (Currently amended) A method for optimizing selection of advertisements for customers, comprising:

creating a customer profile for a customer, the customer profile including customer attributes;

creating an advertisement profile for each of a plurality of advertisements, each advertisement profile including an expected revenue based on potential placement of the corresponding advertisement and a measure of uncertainty that is inversely proportional to a number of times said advertisement has been served;

for each advertisement, using the customer profile to determine an estimated probability that the customer will respond to the advertisement; and

selecting which of the plurality of advertisements to present to the customer based on the <u>an</u> estimated value, which includes the probability of the customer taking a specified action, the expected revenue associated with such-event action, the measure of uncertainty, and any additional learning gained.

17. (Previously presented) The method of claim 16, wherein the selecting further includes:

calculating for each advertisement a projected value based on the estimated probability and the expected revenue; and

selecting the advertisement with the highest projected value.

18. (Previously presented) The method of claim 16, further comprising: presenting the selected advertisement to the customer; and collecting data regarding the customer's response to the advertisement.

- 19. (Previously presented) The method of claim 18, further comprising: updating the customer profile based on the collected data.
- 20. (Previously presented) The method of claim 16, wherein the customer attributes include long term attributes and short term attributes.